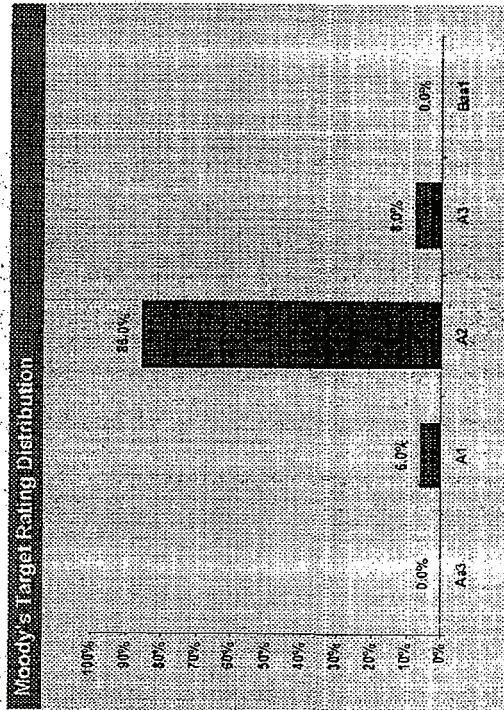


## Indicative Target Asset Allocation<sup>1</sup>



- ▶ The Portfolio is expected to consist of approximately [55] issues with a projected average rating of [A2/A1]
- ▶ All of the assets in the initial portfolio will be rated at [A3/A-] or above
- ▶ The Portfolio is expected to be [90]% ramped on the closing date

<sup>1</sup> Portfolio targets are indicative and subject to change.

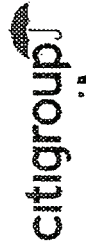
## Indicative Transaction Terms<sup>1</sup>

Issuer:	Class V Funding III Ltd.
Manager:	Credit Suisse Alternative Capital, Inc.
Transaction Type:	A rule 14(c)(7) exempt Collateralized Debt Obligation
Pricing Date:	[ ] 1, 2007
Closing Date:	[ ] 1, 2007
Form of Issue/Delivery:	Rule 144A and Regulation S eligible (Global Notes), Physical Certificates for 144A Income Notes and Accredited Investor Purchasers of Class B and C Notes and Income Notes
Payment Interval:	[Quarterly]
Senior Collateral Management Fee:	[10] bps
Non-call Period:	[3] years
Trading:	Manager has the discretion to sell (without reinvesting proceeds from sales) any credit impaired and/or defaulted assets

<sup>1</sup> The information presented is preliminary and subject to change. Actual terms of the transaction may vary. Refer to the Offering Circular for a complete listing of transaction terms.

## 2 THE MANAGER

*Information related to CSAC, its personnel, organization, affiliates, processes and historical performance has been provided by CSAC. Citigroup is not responsible for the content of the following section and has not independently verified any such information.*



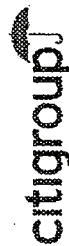
## A. Credit Suisse Alternative Capital – Firm Overview

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## Firm Overview

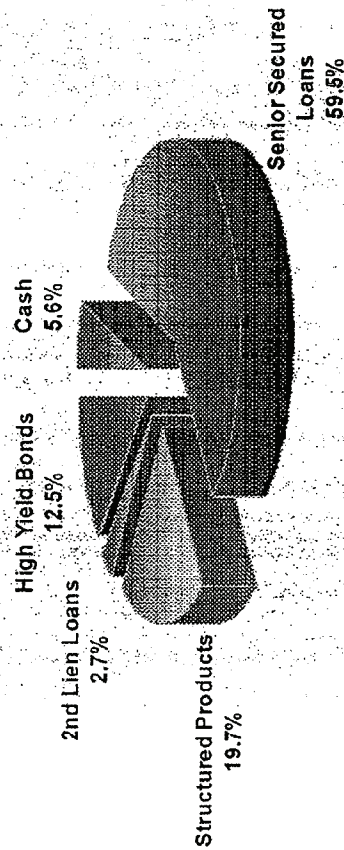
- ▶ Credit Suisse Alternative Capital, Inc. is an indirect subsidiary of Credit Suisse Group
- ▶ Credit Suisse Group is a leading global financial services company headquartered in Zurich. Credit Suisse Group is engaged in investment, private, and commercial banking, and asset management. Credit Suisse Group's registered shares (CSGN) are listed in Switzerland and Frankfurt, and in the form of American Depositary Shares (CSR) in New York
- ▶ Founded in 1856, Credit Suisse Group has 150 years of history and operates in over 50 countries with approximately 45,000 staff of over 100 different nationalities



## Firm Overview (continued)

### CREDIT SUISSE ALTERNATIVE INVESTMENTS IS ONE OF THE PREMIER CREDIT & STRUCTURED PRODUCT INVESTMENT MANAGERS

- ▶ Credit Suisse Alternative Investments' Leveraged Investments Group ("LIG") through Credit Suisse Alternative Capital, Inc., will manage Class V Funding III, Ltd.
- ▶ LIG has two core competencies
  - Managing credit risk assets
  - Structured products
- ▶ Assets under management—approximately \$15.0 billion market value, including \$2.49 billion in structured products<sup>1</sup>



<sup>1</sup> Market value as of November, 2006. Includes uninvested principal cash and defaulted securities.



# Leveraged Investment Group (LIG) Organization

► LIG will have responsibility for the management of the CDO

SENIOR MANAGEMENT		CREDIT ANALYSIS		
		U.S.	Europe	ABS
John Popp, Managing Director* Group Head 23 Years Experience		James Poretsky - 21 Years Director • Media & Telecommunications • Printing and Publishing • Chemicals • Industrials	Daragh Murphy, CFA - 8 Years Vice President	Samir Bhatt - 10 Years Director
Andrew Marshak, Managing Director* Portfolio Management & Trading 17 Years Experience		Vance Shaw, CFA - 22 Years Vice President • Oil & Gas • Utilities	Regan Houli, CFA - 7 Years Vice President	Judy Sun - 8 Years Vice President
David Lerner, Managing Director* U.S. Leveraged Loans 17 Years Experience		Ed DeBruyn - 9 Years Vice President • Manufacturing • Paper & Packaging	Ayasha Chenoy - 5 Years Associate	William Nunez - 12 Years Vice President
Thomas Flannery, Director* U.S. High Yield Bonds 11 Years Experience		Louis Farano - 13 Years Vice President • Consumer Products • Food, Beverage & Tobacco	Roberta Girard - 5 Years Associate	Adam Kaplan - 7 Years Associate
Glen Clarke, Director** Europe 10 Years Experience		Raphael Savitz - 8 Years Vice President • Hedge Fund • Financial Services • Homebuilding • Real Estate	Jacob von Kalkreuth - 4 Years Associate	Brian Herr - 8 Years Associate
Michael Shackelford, Director ABS 14 Years Experience		Ramit Kamali - 5 Years Associate • Financial Services • Homebuilding • Real Estate	Nik Perslo - 8 Years Vice President	
Richard Quin, Director Asia/Pacific 18 Years Experience		Ryan Lim - 7 Years Vice President • Building Products • Ecological • Metals & Mining		
Lauri Whitlock, Director Chief Operating Officer 17 Years Experience		David Mechin - 1 Year Analyst • Technology		

Middle Office			
Bill Crocco, Director			
CFO, Manager		System Administration	
Jennifer Chin, VP Mgr.		Amy Altman, VP	
Investor Reporting		Portfolio Administration	
Charles Abraham, VP Mgr. Giselle Amentat, VP		Josh Vednick, AVP Doreen Nollano, AVP Darv Phillips, AVP Michelle Wagner Andrew Worthington	
Trade Administration		Maggie Swales, VP Mgr. Michelle Murisi, VP Mgr. Paul Bodnar, AVP	
John Ledigski, VP Mgr. Yancy Hoyos, AVP Donya Ramsey, AVP		Jamie Abid, AVP Ryan Wolford, AVP	

\* U.S. and European Credit Committee member.

\*\* European Credit Committee member.

## ABS Investment Team

- ▶ The 5 ABS investment committee members of LIG have extensive experience in structuring and investing in CDO's and ABS securities

Name	Position	Years of Industry Experience
John G. Popp	Managing Director and LIG Group Head	21
Andrew H. Marshall	Managing Director and Head of Portfolio Management	15
Michael Shackelford	Director and Portfolio Manager	13
Samir Bhatt	Director and Credit Analyst	10
Thomas Flannery	Director and Portfolio Manager	10

- ▶ The ABS investment committee meets once a week to review the portfolio and discuss purchases made pursuant to established investment parameters. The committee also meets on an ad hoc basis to approve credits for purchase that are not included within approved investment parameters
- ▶ LIG ABS portfolios are managed by Michael Shackelford. Mr. Shackelford has over 13 years of investment experience, including managing ABS portfolios for the past 8 years and managing ABS CDO portfolios for the past 4 years
- ▶ LIG ABS credit research is headed by Samir Bhatt. Mr. Bhatt has over 10 years of ABS credit research experience, including 5 years of ABS credit research at Credit Suisse's investment bank, and 2 years of purchasing ABS credits for LIG CDO portfolios





## LIG CDO Vehicles Under Management

CDO Vehicles	Original Target Asset Mix <sup>1</sup>	Total Approximate Initial Capitalization (\$MM)	Closing Date
First Dominion Funding I - III	75% Loans / 25% Bonds	2,500	1998 - 1999
CSAM Funding I - IV	75 - 90% Loans / 10-25% Bonds	2,200	2001 - 2004
Aurum I - V	85-90% Loans / 10-15% Bonds	2,614	2002 - 2006
Madison Park I - III	85-90% Loans / 10-15% Bonds	2,099	2003 - 2006
Castle Garden Funding	85% Loans / 15% Bonds	850	Oct 2005
Cadogan Square CLO I - III <sup>2</sup>	90% EURO Loans / 10% EURO Bonds	1,802	2005-2006
Class V Funding	ABS CDO's, CLO's and Real Estate CDO's	205	April 2005
Class V Funding II	ABS CDO's, CLO's and Real Estate CDO's	300	May 2006
Ridgewood Court Funding I	High Grade ABS Securities	2,000	July 2006
Aurum Square Funding I	Mezzanine ABS Securities	500	Dec 2006
Other Vehicles <sup>3</sup>	High Yield Bonds	1,355	1998 - 2000
<b>Total</b>		<b>\$16,485</b>	

<sup>1</sup> Leveraged Loans includes cash representing principal proceeds pending reinvestment in substitute portfolio assets. High Yield Bonds includes CDO securities.

<sup>2</sup> Cadogan Square CLO I, II, and III are managed by the LIG team on behalf of Credit Suisse International.

<sup>3</sup> €1,410,400,000 @ 1.3199 as of December 31, 2006.

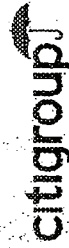
<sup>4</sup> Includes \$338 MM of undrawn super-senior swap.

<sup>5</sup> Other Vehicles<sup>5</sup> includes three CDO Vehicles currently managed by the LIG team consisting of primarily high yield bonds. The current LIG team assumed the management of the Other Vehicles in connection with the acquisition of the asset management business of First Dominion Capital, LLC ("FDC") by DLJ Asset Management Group, Inc. ("DLJAM") and the subsequent acquisition of DLJAM by Credit Suisse in 2000. Each of the CDO Vehicles was organized prior to the acquisition of the asset management business of FDC by DLJAM and the acquisition of DLJAM by Credit Suisse.



## **B. Portfolio Construction and Management**

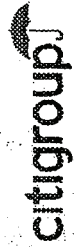
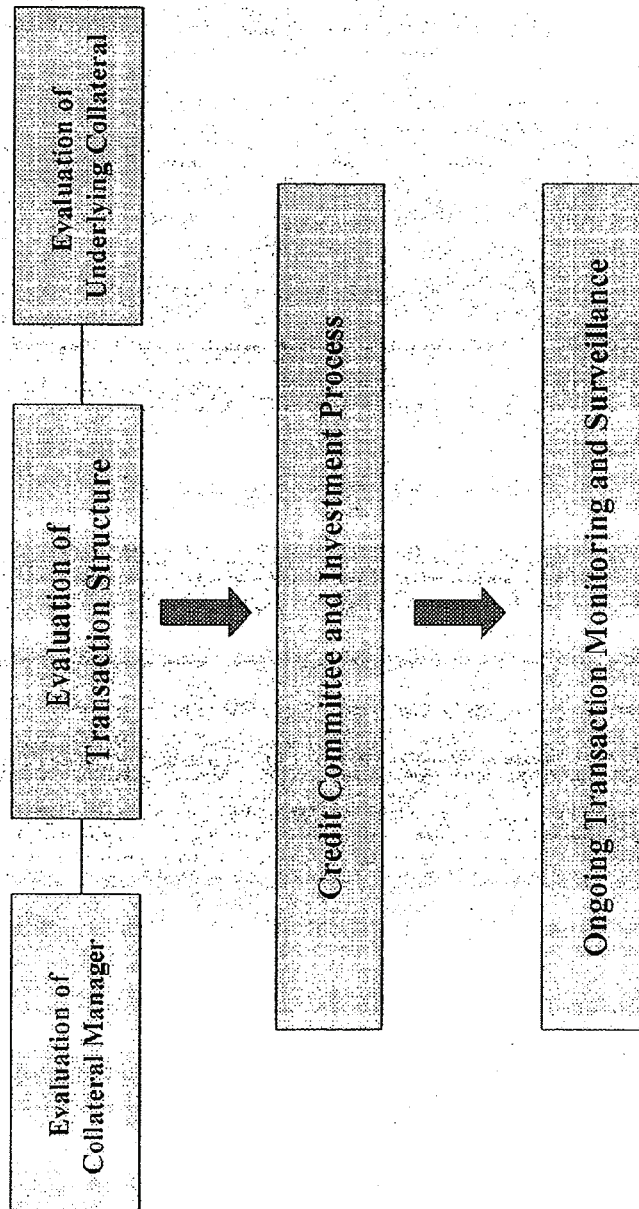
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## **Investment Philosophy**

- ▶ LIG utilizes a credit-intensive, relative value investment approach in managing structured finance assets
- ▶ LIG believes performance is driven by a strong credit culture and systematic investment process
  - Income, not trading gains, is intended to be the primary contributor of return
  - Relative value discipline – mark-to-market versus new issue pricing
  - Focus on preservation of principal – protect against downside
  - Efficient diversification of asset type, issuer and servicer

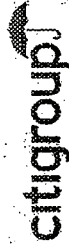
## CDO Investment Process



## CDO Investment Process

- ▶ Evaluation of Transaction Structure
  - Analysis of structural features and protections
  - Specific collateral quality tests including investment restrictions
  - Projected Cash-Flow from underlying collateral through CDO waterfall
  - Break-even collateral default and loss levels for
    - Break in yield
    - 0% yield
- ▶ Evaluation of Collateral Manager
  - Understanding the collateral manager's overall strategy and their motivation for the CDO transaction
  - Manager organizational structure and resources dedicated to credit analysis and surveillance
  - Historical performance of previous CDO transactions and/or manager track record as related to the underlying asset classes of particular CDO
- ▶ Evaluation of Underlying Collateral
  - Break-down of assets by credit rating and underlying asset classification
  - Further analysis of larger positions and/or lower-rated assets, including discussion with collateral manager or obtaining manager credit report
  - Review purchase prices of underlying securities and recent mark-to-market (if secondary position) including valuation of hedges





## **CDO Investment Process (continued)**

- ▶ Ongoing Transaction Monitoring and Surveillance
  - Monitor CDO performance by evaluating distribution reports for
    - Collateral Characteristics
      - WARF, WAL, WAC, Weighted Average Spread
      - Compliance of OC/IC Coverage Tests
      - Change in underlying collateral mix
      - Fixed-rate assets vs. Size of hedge(s)
    - Cash Flow Characteristics
      - Interest and Principal payments to debt classes
      - Hedge payments
      - Equity distributions
    - Surveillance of underlying collateral characteristics
      - Rating changes of underlying collateral
      - Delinquency and default performance of underlying ABS securities
      - Changes in credit outlook of underlying leveraged loans or bonds
      - Price movements of underlying collateral
    - Surveillance Tools:
      - Distribution Reports
      - Rating agency reports and surveillance
      - Intex historical performance data

## CDO/ABS Investment Process

Issuer and Servicer	Underlying Collateral	Transaction Structure	Investment Decision	Monitoring and Surveillance
<ul style="list-style-type: none"> <li>➤ Understand the Issuer's underwriting guidelines, methodology and exception process</li> <li>➤ Review historical performance of issuer's previous transactions</li> <li>➤ Assess servicer's resources dedicated to loan servicing and loss mitigation and firm's financial strength</li> <li>➤ Research servicer's track record as related to the underlying collateral</li> </ul>	<ul style="list-style-type: none"> <li>➤ Examine key collateral characteristics (e.g., FICO, LTV, IO's, MTA's, 2nd liens, etc)</li> <li>➤ Scrutinize detailed break-down of collateral (e.g., by credit score, loan-to-value ratio, etc)</li> <li>➤ Derive defaults and loss curves using historical data</li> </ul>	<ul style="list-style-type: none"> <li>➤ Study structural features and protections</li> <li>➤ Determine cash flow from underlying collateral through deal waterfall</li> <li>➤ Develop breakeven scenarios by adjusting default/loss levels, prepay speeds, interest rates and deal triggers</li> </ul>	<ul style="list-style-type: none"> <li>➤ Discuss issuer/servicer, collateral and structure</li> <li>➤ Appraise loss coverage ratio versus rating</li> <li>➤ Compare relative value versus other available credits</li> <li>➤ Consensus decision making</li> </ul>	<ul style="list-style-type: none"> <li>➤ Monitor key performance statistics using internal surveillance system</li> <li>➤ Track performance versus original expectations</li> <li>➤ Investigate poor performance</li> <li>➤ Obtain regular mark-to-market pricing</li> <li>➤ Evaluate performance and pricing for buy/sell/hold decision</li> </ul>



## Case Study—Key Asset Characteristics

- ▶ Scrutinize key collateral characteristics
- ▶ Examine detailed breakdown of collateral
- ▶ Derive default and loss curves using historical data

[illegible]